REPORT

Special Commissioner of Revenue. WASHINGTON, Jan. 5 .- The report of the Special Commissioner of Revenue; Hon. David A. Wells, addressed to the Secretary of the

Tressury, was laid before the House to-day. The results of a somewhat extended investigation are presented, not with a view of establishing or confirming any particular theory, but rather of determining, through the collection of positive data, what policy in legislation is likely to prove hereafter most advantageous to the revonce, and most certain to establish the credit and industry of the whole country upon a sound

and industry of the whole country upon a sound and substantial basis.

The first step or starting point of the inquiry is the present condition of the capital and industry of the United States.

"The facts which constitute an answer to this question are to a considerable degree contradictory and paradoxical. On the one hand there is much that indicates that the country is rapidly recovering from the effects of the war, and resuming that wonderful career of progress and development which especially characterized its history during the partid embraced in the thirteen years from 1847 to 1860. On the other hand there is another class of facts which as unmistakably indicate the existence of agencies which tone to the appendixture interests. tend to arrest or obstruct national development, and which loster speculation, idleness, extravagance of living, discontent with moderate and slow gains, haste to be rich, and the arrest of tradius. slow gains, haste to be rich, and the spirit of trading as distinguished from the spirit of pro-

duction.

'It is proposed, in the first instance, to briefly state the evidence in support of the first proposition. This evidence has been presented in great part already by the Commissioner in his two pre-tions reports, but a recapitulation of the leading elements of national wealth, on which the na-tional credit reposes, can never be considered as notional credit reposes, can never to considered as untimely so long as a district of the resources of the nation is for any purpose fostered and encouraged—particularly by persons holding official or other public stations. This evidence may be grouped as follows:

"First, Islandenation,—From the 1st of July, 1967, 1818, 1

1665, to the 1st of December, 1868, about 1,000,000 natives of foreign countries have sought a permanent home in the United States. Investipermanent home in the United States. Investigations made some years ago (and the character of the immigration has since greatly improved) showed that these unmigrants bring with them specie to the average amount of eighty dollars per head; while the average value to the country as producers cannot be estimated at less than half the average value of an ordinary laborer in the South prior to the war, viz.: \$1,000 each. Im migration, then, since the termination of the war, may be regarded as having added \$80,000,000 folirectly, and \$500,000,000 indirectly to the

war, may be regarded as naving added \$50,000,000 indirectly to the wealth and resources of the country.

"Secondly, A General Increase in the Products of Domestic Industry.—The Commissioner is fully aware of the difficulties attendant upon the determination of estimates in this department; prices, with the present irredeemable fluctuating currency being wholly valueless as a measure: while a statement of quantities, to be strictly accurate, must be considered not only with reference to quality, but also to the normal increase in production, which under all circumstances accompanies an increase of population. Nevertheless, the wealth of the country is its capability than a production and a production. pacity for annual production; and an analysis of this production is the surest, and at present, the

only available method of testing that wealth.

Speaking generally, he wever, in the first instance, the Commissioner asserts that all the available data tends to establish the following conclusions, viz.: That within the last five years more cotton spindles have been put in operation, more iron furnaces erected, more iron smelted, more bars rolled, more steel made, more coal and copper mined, more lumber sawed and howed, more houses and shops constructed, more manu-factories of different kinds started, and more petroleum collected, refined, and exported, than during any equal period in the history of the country; and that this increase has been greater both as regards quality and quality, and greater than the legitimate increase to be expected from the normal increase of wealth and population." Besides this general statement, the Commissioner address much specific evidence on cotton

manufacture, pig-iron production, copper, petro-leum, coal, lake tonzage, &c. He next shows the continued increase in the agricultural produce of the United States, whether measured by quantity or value.

Under the head of railway extension and movenent, it appears that during the ten years, from 1858 to 1868, the increase of tonnage moved on the roads has been at a rate of sixteen times greater than the ratio of the increase of popula-

On discussing the agencies concerned in national development, he says "that all investi-gation clearly shows them to have been mainly two, namely: First, great natural resources in respect to abundant and fertile territory, great natural facilities for intercommunication. abundant and cheap raw material, and diversity without insulubility of climate; and secondly, a form and spirit of government which hereusione has left man and capital, over an area almost continental, free and unrestrained to work out their own development. Since 1840, especially, other agencies have come in as powerful adjuncts, viz.: a continued influx of population and capital from the old world; a continued in-vention and application of labor-saving machinery, and a most rapid extension of the rail-way system; which last, by giving a market to all the products of our national domain, has greatly stimulated the spirit of industry and enterprise. With these, also, should undoubtedly be included the purchase of California and the discovery of gold on the Pacific.

"As respects the relation of legislation by the national government to the results under consideration if we except the adoption of a liberal

sideration, if we except the adoption of a liberal policy in the disposition of the public lands, it is policy in the disposition of the public lands, it is difficult, at least for the period which elapsed between 1840 and 1860, to affirm much that is positive, unless in conformity with the maxim, that that government is best which governs least, absence of legislation is to be regarded in the light of a positive good. If important results followed the acquisition of California, such results were certainly neither forseen nor anticipated; while as regards commercial legislation, a review of all the facts cannot full to suggest a doubt all the facts cannot full to suggest a doubt whether the evils which have resulted from instawhether the evits which have resulted from insta-bility have not far more than counterbalanced any advantage that may have proceeded from the experience of a fluctuating policy.

The Commissioner is well aware that this opinion will not be readily accepted by those who

have been educated to believe that the industrial and commercial prosperity of the country was seriously affected by the legislation which took place during the years which elapsed from 1842 to 1846. But upon this point all investigation shows that the facts are entirely contrary to what may be regarded as the popular belief, which, indeed, in this particular, would appear to be based on little else than mere assertions, which, remaining for a long time unquestioned, have at last acquired the force of accepted historical truth. Thus, for example, it has been constantly asserted, both in have been educated to believe that the industrial ample, it has been constantly asserted, both in Congress and out of Congress, that the produc-tion of pig iron was remarkably stimulated under the tariff of 1842—rising from 220,000 tons in 1842 to 800,000 tons in 1848—and that under the tariff of 1846 the same industry was remarkably depressed. Now, these assertions may be correct, but the most reliable statistics to which we have access, viz: those gathered by the American Iron Association, instruct us as follows:
"Production of pig iron in 1830, 165,006 tons;
in 1840, 347,000 tons. Increase in 10 years, 110

per cent.
"Production in 1845, 486,000 tons; increase in

5 years, 40 per cent.
"Production in 1850, 564,000 tons; increase in 10 years, 62 per cent.
Production in 1855, 754,000 tons; increase in

5 years, 33 per cent.
"Production in 1860, 913,000 tons; increase in

"Production in 1860, 913,000 tons; increase in "Production in 1860, 913,000 tons; increase in 10 years, 61 per cent.
"It thus appears that the great annual increase in the production of pig iron took place prior to the year 1840, and for 30 years was remarkably uniform at the rate of 10 to 11 per cent. per annum; and that since then, no matter what has been the character of the legislation, whether the tariff was low or high, whether the condition of the country was one of war or peace, the increase of the production has been at the average of about 6 per cent. per annum, or about double the ratio of the increase of population."

The Commissioner gives "another curious illustration" of an apparent misconception of the effects of past legislation upon the development of the country, and then says: "There does not seem to be any reliable evidence which can be adduced to show that the change which took place in the legislative commercial policy of the country in 1846 had any permanent or marked effect whatever; while, on the other hand, the study of all the facts pertaining .to national development from 1810 to 1860, and from 1865 to the present time, unmistalably teaches this lesson: that the progress of the country through what we may term the strength of its elements of vitality is independent of legis-

lation and even of the impoverishment and waste. of a great war. Like one of our own mighty rivers, its movement is beyond control. Succesrivers, its movement is beyond control. Successive years, like successive affluents, only add to and increase its yolume; while legislative cuactments and conflicting commercial policies, like the construction of piers and the deposit of sunken wicks, simply deflect the current or constitute temporary obstructions. In fact, if the nation has not yet been lifted to the full comprehension of its own work; it builds determinately, as it were, by instinct."

The Commissioner next proceeds to show "the effect of the war in checking national development," and passes to "the agencies adverse to the national development." As to the latter he says:

The immediate cause of the anomalous condition of affairs in question must unquestiona-bly be referred to the greatly increased cost of hearly all forms of labor and commodities as compared with the price for the same that pre-vailed in the decade immediately preceding the war; while these in turn must be regarded as the resultant mainly of three agencies growing out of the war, viz: irredeemable paper currency, unequal and heavy taxation, and a limited supply of skilled labor, the last manifesting itself at the present time in specialties rather than in gen-

"Influence of an Irredeemable Paper Currency.—
As the specific influence of the first agency has been of late so often and so thoroughly discussed, the Commissioner will only ask attention, under this head, to a few points of presumed novelty or interest; and, first, to a specific statement of actual experience, illustrative of the manner in which an irreducemable paper currency, or what is the same thing, a natuonal abnegation of specie payments, unavoidably tends to destroy all profitable commercial relations with foreign profitable commercial relations with foreign countries in which trade and industry is conducted on a specie basis. The statement is furnished to the Commissioner by a manufacturer of turniture in one of the middle States, who, previous to the war, had built up an extensive export business to the West Indies, Central and South America of a verteity of teaps, casted and South America, of a variety of 'cane-seated' and 'cane-backed' furniture suited to warm lati-

tudes.

"Thus on the 1st of March, 1861, gold and currency being at par, \$1,000 in gold possessed a purchasing power sufficient to obtain for the South American importer 111 1-9 dozen of what are termed in the trade, 'ordinary square-post cane-seat chairs.' About the 1st of January, 1862, gold began to command a premium, and advanced during the next three years with great rapidity. This movement was not, however, participated in at first to any considerable extent, by either labor or commodities, and in by either labor or commodities, and in consequence the purchasing power of gold greatly increased; so much so that on the 1st of July, 1864, the \$1,000 gold which in 1861 bought 111 1-9 dozen chairs, then bought 143 dozen. Under these circumstances as was to be expected, trade increased, as the foreign pur-chaser found the American market by far the chaser found the American market by far the best for his interest, but from July, 1864, a movement commerced in an exactly opposite direction, gold receding, and labor and commodities advancing in very unequal ratios. Thus in January, 1866, the \$1,000 gold, which four years previous had a purchasing power of 111 1-9 dozen chairs, and on the 1st of July, 1864, of 143 dozen, then commanded but 126% dozen; in February, 1866, extil sembler pricess, viv. 2014 dozen. then commanded but 126% dozen; in February, 1866, a still smaller number, viz.: 91½ dozen, and ultimately attained its minimum in January, 1867, when the purchasing power of he sum named was only 89% dozen. From this point the purchasing power has gradually increased, and for the past year, 1868, has remained at the rate of about 102 dozen, or nine dozen less than could be bought with the same money in 1861.

"The result has been that the foreign purchaser now goes to France or Germany; while the products of American industry, in the form of furniture, being no longer available to exchange for sugars, spices, or dyswoods, gold has necessarily sugars, spices, or dyewoods, gold has necessarily been substituted; and, to use the words of the manufacturer describing his condition, 'unless there is a speedy return to specie payments, custom will soon so fix the channels and currents of trade that any attempt on my part to divert them will be attended with great difficulty;' and what has thus been shown to be the case in respect to the export trade of the United States in furniture may be accepted as true of almost furniture, may be accepted as true of almost every other manufactured product, which, as a nation, we were accustomed, previous to the war, to exchange for foreign commodities."

The Commissioner gives the relative amount

of currency in use and required in the United States, Great Britain and France, and a "com-parison of prices of labor and commodities, 1867 '68." He says "the purchasing power of the irre-68." He says "the purchasing power of the irre-deemable paper money now in use is not nearly equal to what it was in the immediate ante-war years of 1860-61; and that the working men and women of the country do not now receive as much in return for their labor as before the war. "The theory of inconvertible paper money is, and the facts prove it, that the rich became richer and the poor poorer. In addition, however, to an inconvertible paper currency, there are other agencies which are powerfully operating to the production of a like result; and the consideration of these brings us to a new department of our investigation, viz.: The influence of taxation, direct investigation, viz.: The influence of taxation, direct and indirect, upon the cost of domestic production, and consequently upon the ability of the country to exchange with foreign nations upon terms of equality. Taxation as it exists in the United States may be classed under three heads:

"1st. Taxation under the internal revenue. "2d. Taxation under the tariff.
"3d. State and local taxation,

"The Commissioner then proceeds to examine in the order enumerated, the present influence of each of these forms of taxation upon the cost of

preduction and upon national development.

The Commissioner says: "The Internal Revenue system of the United States, as it now stands. approximates closely to that which the experience of more than three-quarters of a century in Great Britain has shown to be capable of yielding the maximum of revenue with the minimum of disturbance to the wealth-producing elements of the country. The changes, apart from those per-taining to administration, which are required to still further perfect the system, are not nume-rous, and with the termination of the large pay-ments for the equalization of bountles, and with an economical administration of the government an economical administration of the government, can, undoubtedly, be made with safety at no distant period. They should unquestionably embrace the taxes now levied upon telegraph and express companies; upon the gross receipts of railroads, steamboats, and other common carriers for the transportation of passengers; and the percentage taxes on the sales of passengers. merchandise; the gross receipts from all of which is less than one-half the annual expenditures during the last two fiscal years for the equaliza-tion of bounties. When this has been accom-plished, it may with truth be claimed that the ntire internal revenue system has been made wholly subordinate to the more important end of creating national wealth; and that under it no cirect obstacle whatever is imposed by the gov-crument, which can prevent the domestic pro-ducer from placing his product upon the market

at the lowest possible cost.
"In concluding this review of the present influence and condition of the national taxation under the internal revenue, the Commissioner is constrained to confess, that thus far the abatement of prices consequent upon the large annual reduction of taxes has not been what was anticipated, or what the large amount of revenue anticipated, or what the large amount of revenue abandoned would seem to have warranted. In the case of not a few articles, as pig iron, manufactured lumber, and salt, the prices since the removal of taxation have actually advanced, while in other instances, as in the case of agricultural implements, sewing machines, hoop skirts, manufactures of silks, newspapers, and in fact most articles which are the products of monopolies created by patents, established custom, or other circumstances, the repeal of the internal tax, through the maintenance of former prices, has been only equivalent to legislating a prices, has been only equivalent to legislating a

The Commissioner proceeds to the considera-tion of the influence of national taxation under the turiff on prices and the cost of domestic prothe tariff on prices and the cost of domestic production—a subject, the discussion of which is attended with the embarrassment that it involves more of prejudice and of opinion founded on private self-interest than almost any other which since the abolition of slavery has occupied the attention of the American people. Notwithstanding this, it is important to recognize the act, that under the existing financial condition of the country, the old-time issues between the advocates of free trade on the one hand, and provocates of free trade on the one hand, and pro vocates of free trade on the one mand, and pro-trection on the other have ceased to be of any real practical importance—inasmuch as in the ar-rangement of a tariff with a view to revenue, the requirements of the government must certainly, for the present, necessitate so high an average of duties as to afford all that can be reasonably asked for on the grounds of protection; and with a given requirement, moreover, for revenue, in excess of what can be derived from the taxation under the tariff of acknowledged laxuries, there would seem to be no valid objection to distributing the additional taxation in such a manner as to favor those branches of industry most exposed to foreign competition.

He next speaks of the recognition of the pro-

effect of the tariff on the prices of imports, and the effect of the increase of tariff in apply the surplus of receipts over expenditures checking importations. "He says "all experience to the payment of debts and to the restoration of the effect of the increase of tariff in checking importations. "He says "all experience and especially the experience of the Valted States within the last three years, shows that there is a point beyond which duties imposed on importations cannot be carried without rendering them practically inoperative. Thus, under the existing tariff, the duties on wines, itquors and silks have been carried to such a degree that only so much of these articles are now imported as are necessary to meet a popular requirement that no law can prevent from being satisfied. If carried beyond this point, the requirement or necessity will still be met, but the smuggler and illicit dealer, rather than the regular importer, will become the agent of supply; for, in no country can evasion of the excise or customs be carried out more successfully than in a republic where popular opinion is both the law-maker and the law sustainer. If proofs in support of this position are demanded, they are most abundant."

The Commissioner discusses the "Relations of a tariff for revenue and a tariff for protection," and says "indiscriminate protection is a characteristic of the existing tariff." Under the head of "Regult of existing influences on national development," he remarks:

"All commerce is in the nature of barter are exchange. The men who brings to us coffee, sugar, tea, hides, silks, dye-stuffs, and the like, are not the men whose labor or capital has been directly concerned in the production of these articles, but men whose simple and sole business is to exchange these products at a profit, for the products of other nations. What the exchange desires mest to receive is product in kind, which he may further exchange elsewhere, and at the same time realize a profit both ways on the agencies employed by him in the transmission, viz.: on his vessels, by their freight. What he desires least to receive is gold or siver, inasmuch as the intrinsic value of these articles is nearly the same in all countries, and their movement and transmission, instead

in all countries, and their movement and trans-mission, instead of being a source of profit, is

rather a source of expense.

Now, the condition of things in the United States is just this. We have so raised the cost of all domestic products that exchange in kind with all for ign nutions is almost impossible. The majority of what foreign nations have to sell us, as already shown we must be a simple to sell us, majority of what foreign nations have to sell us, as already shown, we must or will have. What foreign nations want and we produce—cotton and a few other articles excepted—they can buy elsewhere cheaper. We are therefore obliged to pay in no small part for such foreign productions as we need or will have, either in the precions metals, or what is worse, in unduly depreciated promises of national payment. And yet there are men who are so far unable to realize this condition of affairs, that they severally desire and honestly thick they can remedy the evils in question by measures which, like the increase of the currency, the increase of the tariff, or other forms of taxatior, will inevitably make prices forms of taxation, will inevitably make prices and the cost of production still higher, and thus aggravate the very difficulties which are already As a practical illustration of how the United

States trades with the Argentine Republic, the Commissioner subjects to analysis "the commercial relations existing between the United States and the Argentine Republic of South America, (Buenos Ayres.) The necessity of trade between the two countries belongs in the first instance to the United States, which does not afford a supply of domestic hides sufficient to meet nore that is be recent. of its domestic consump-tion of leather; and has, in addition, practically no domestic supply whatever of either goat skins or horse hair. Now the Argentine Republic has these articles especially to sell and export, and it is it is willing to dispose of them on terms equally advantageous with other nations, it is not a mater of choice on the part of the United States whether she will trade, but a matter of necessity.

'It is also worth while to diverge for a moment from the discussion of the immediate subject noder consideration, and see how important is the relation of this supply of foreign hides to American domestic industry, and how good a thing the Unit of States makes of it. The estimated value of all the domestic hides manufactured in the Unit of States during the year 1866, as \$45.50 as \$65.000. The estimated

tured is the United States during the year 186c, at \$5 50 each, was \$19,250,000. The estimated value of the foreign hides received at the principal Atlantic ports of the United States during the same year was about \$14,000,000, (values in both instances being reduced to currency with an assumed gold premium of 40 per cent...) making a total of \$33,250,000 as the value of the raw material hides for the year in question. Now during this same year there was received in the cuty of Boston unmanufactured leather of dimestic tauning to the value of \$17,463,998; and there was rold and shipped from the State of Mussachusetts alone, boots and shoes of an estimated value of \$55,000,000—total \$72.463,998, mated value of \$55,000,000—total \$72.463,993, which large sum represents very imperfectly. but yet most strikingly, the extent to which the value of the hides became enhanced by the process of manufacturing, and also the remuneration which, through such enhancement, necessarily and the process of the proce earlly accrued to labor, inasmuch as the value in question represents to a greater degree than in most manufactures the amount paid di-

"As might be inferred from this showing, the United States continues to purchase hides from Buenos Ayres, and continues to add to her wealth and to the sources of employment for her recople by so doing; but in thus purcuasing we find that the United States stands on a different footing from other commercial nations; or, in other words, has a way of doing things peculiar to hereelf. Let us see how this is:
"The Argentine Republic, in sending hides, goat skins and horse-hair to the United States,

requires an equivalent. It has no forests, few manufactures, and an insufficient supply of breed-tuffs. It therefore requires lumber, flour. textile fabrics, especially coarse cottons and call-coes, ready-made clothing, furniture, wagons, hardware, saddlery, paints, paper, &c., all products which the United States is capable of producting in unlimited quantity, and is desirous of selling. The people of the Argentine Republic, furthermore, do not desire payment for these products in the precious metals, and if oblige I to for the above-named commodities, which are absolutely essential to their existence as a civilized people. Now, as the United States stands to the Argentine republic in the relation of almost their best customer, and as the two nations are further assimilated through continental position and a common form of govertiment, and as the former is capable and desirous of supplying those commodities which the latter especially needs, it might naturally be supposed that the trade between the two would be reciprocal. The exact contrary, however, is the case. The United States, year by year, increases its purchases from the Argentine Republic, while the amount of domestic products which the latter, in turn, purchases from the former increases very slowly, or remains altogether statement. tionary."

The Commissioner shows the influence of State

The Commissioner shows the influence of State and local taxation on the cost of production, etc., and comes to the general conclusion:

"Having thus presented, in part, the evidence which demonstrates the rapid development of the country, and having also endeavored to determine and analyze the causes which at the same time tend to check or interfere with such development, we are now prepared to take up and opments, we are now prepared to take up and intelligently consider the lesson to be deduced from these investigations relative to the inquiry proposed in the outset, viz., what policy of legisla ion is likely to prove herenter most advanta-geous to the revenue, and most certain to estab-lish the credit and industry of the whole country

on a sound and substantial basis.
"It seems clear that whatever fiscal policy may "It seems clear that whatever iscal policy may be proposed for adoption, it must not only be recognized and be based on the existing condition of affairs, but must be also in the nature of an amendment which shall to the smallest extent possible partake of the character of an experiment. Violent change, uncertainty, and instability are, of all things, what the business interests of the country have most reason to apprehend while, on the other hand, the deterhend, while, on the other hand, the determination and recognition of a clear, well-defined, and practical lesses, to be attained to by a certain and practical issue, to be attained to by a certain progressive; even though slow, movement, is sure to bring with it stability, hope, and confidence in the future; the elements which constitute in no small degree the basis of both private and national prosperity. Can such a policy be determined? Can such an issue be consummated? "The ends to be attained are, mainly, three: First, full restoration of the national credit and resumention of specie payments; second, refundresumption of specie payments; second, refund-ing the national debt at a lower rate of interest; third, reduction of the cost of national production, with a view of enabling the products of American industry to compete on terms of greater equality with the products of foreign nations than is now possible, thereby establishing a system of national protection and insuring stability.

increased product, and a redevelopment of Amorincreased product, and a redevelopment of American commerce and ship-building.

"Let us now inquire what elements are ready at hard for the accomplishment of these results: The nation at present is excessively in debt, and is further embarrassed with the volume of its matured and suspended paper. To free itself from embarrassment and to redeem its suspended paper, there would seem to be but one method, which is alone available to individuals under similar circumstances, viz., to manage in some the live system in Europe—and then asks attention to two other points which have been mide the subject of investigation, namely: the direct similar circumstances, viz., to manage in some

The determination of the probability of ob-The determination of the probability of obtaining such a surplus, and also its possible extent, involves the consideration of the national finances, present and prespective, and to this the Commissioner asks attention. And, is a subsequent part of his report, he says:

"In the application of a molety of the anticipated surplus to the reduction of taxation, the especial object sought to be accomplished should be the reduction of the cost of national production, with a view of removing those impediments which now so greatly restrict and, in many instances, prevent the free exchange of the pro-

which now so greatly restrict and, in many instances, prevent the free exchange of the products of American industry with the needed products of other nations; and thus bring to the country a more favorable balance of trade that now exists. In using the expression, balance of trade, the Commissioner does not wish to be understood as recognizing in any way the old exploded ideas in respect to this subject, viz.: that a nation gains in proportion to what it sends abroad, and loses in proportion to clearly express the opinion, that a constraint of the constraint of t portion to what it receives back; but no does mean to clearly express the opinion, that a condition of affairs like that now existing in the United States, whereby gold and silver and certificates of national indebtedness continually tend to flow out of the country in payment for foreign commodities, in preference to the preducts of domestic industry, is both unnatural and injurious, and is a condition of affairs exactly the reverse of what prevails in Great Britain. France. verse of what prevails in Great Britain, France, and other prosperous commercial nations.

'The Commissioner believes that he has already

sufficiently indicated the course he would recom-mend in reference to the application of the antici-pated surplus to the reduction of taxes. In the department of internal revenue, the removal of taxes on the transportation of passengers, the re-ceipts of telegraph and expresss companies, the manufacture of gas, and possibly upon sales, would reduce that branch of our revenue system to almost the simplest form that can be devised for the collection of the requisite amount of money which the requirements of the treasury

may necessitate.

'In the matter of the tariff, the Commissioner trusts that the Government will not allow itself to be diverted from the consideration of the real question at issue, through any prejudices which may be evoked, either on behalf of free trade or may be evoked, exter on bean of the trade proportion. There are no considerable proportion of the people of the United States in favor of the adoption of free trade in the European sense, even were the necessities of the treasury for revenue far less urgent than at present. There are none worthy to bear the name of an American citizen who desire that the industry of foreign countries should prosper and be extended

foreign countries should prosper and be extended at the expense of our own."

The conclusion of the report is as follows:

"In what has thus been submitted the Commissioner believes that he has sufficiently indicated his views in respect to the tariff. He cannot resist the conclusion that, as it now-stands, it is in many respects injurious and destructive, and does not afford to American industry that stimular and protection, which is claimed as its atimulus and protection which is claimed as its chief merit. He believes that to grant, in the main, the advances asked in the bills now pending before Congress would be but to aggravate the very difficulties under which the country

now labors, to impair the revenues and hinder the return to specie payments.

'In fact, our present tariff is in many partic-ulars apparently based upon the old fallacy that, in the exchange of commodities between nations, which constitutes commerce, what one gains the other loses. It needs but a moment's thought to be convinced that there can be no permanent trade or commerce nuless it is for the gain of both nations; all trade is based upon the mutual-ity of services, and it is one of the evidences of the progress of modern thought, that the inter-dependence of nations is beginning to be recog-nized. This is emmently true in England, France, and Germany, true in China and Japan, true even in Spain, but not yet recognized in the United States, if our laws are to be taken as the

United States, if our laws are to be taken as the evidence of our thought.

"With these feelings and convictions he would therefore prove untrue to his trust did he not here enter his most carnest protest against any further general increase of the tariff, but would, on the contrary, recommend,

"First—An enlargement of the free list.

Second—A reduction of some rates of duty, and, as an exception, an increase of a few others, with a view to the increase of the revenue. "Third—A reduction of some rates of duty with a view to an absolute abatement, on the with a view to an absolute abatement, on the simple ground that the reduction of a duty is the reduction of a tax, and that the most efficient method of protecting home industry is by the removal of obstacles in the form of taxes.

"Fourth—The conversion to the utmost possible extent of the present ad valorem duties into specifics, as the only practicable method of insuring certainty and equality in the assessment of duties and the prevention of undervaluations, and the abrogation of the privilege which enables returning tourists to import free of duty

an amount of goods corresponding to their real or supposed social position. "In behalf of the concinsions thus expressed the Commissioner confidently appeals to the true friends of American industry for countenance and support, for nothing can be more certain than that, if unnecessary and iniquitous burdens of taxation under the tariff continue to be laid upon the people, the day is not far distant when a reaction of public sentiment will compel either a sweeping reduction of duties, or induce through agitation such an instability in legislation as will

in liself prove most injurious and destructive. "The Commissioner does not believe it expedient in this, a general report, to enter upon the specific details of a tariff revision, but the precies changes required in his judgment to be made will, if canad for, be made in the torm of a supplementary report, or be submitted person ally to the finance committees of Congress.

FINANCIAL.

SEVENTEENTH QUARTERLY REPORT OF THE PHEADELPHIA, Jan. 4, 1869. RESULKU: S. Loans and Discounts. 9. 82,333,113, 71 United States Bunes. 80,000,000,000 83,133,112 71 Due from National Banks.......... Due from other Banks...... Morning Exchange to Clearingliouse.... 1 egal Tender Notes... National Bank Notes. Brate Bank Notes.85 466 149 70 Circulation Individual Deposits Luited State a Deposits Luite Bills outranding. Due to National Banks Due to other Banks. Unpaid Dividends..... 85 466,149 70 W. L. SCHAFFER, Casnier. 219.326 06

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 Marine Losses
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 Commissions
 8 549 72
 Commissions. State and City Taxes, Salaries, Rent, Print-United States Taxes.... ASSETS JANUARY 18.7, 1869.

Premium Outstanding and interest Accrued.
Union Bank of Reading.
City 5 per Cent Loan (new).

Philadelphia and Reading Railroad 1st Mortgage Bond.
United States 6 per Cent. Bonds (81s).
United States Loan (5:20s).
Stock &c., held by Company.
Useh in Bank and on hand
Stock Liabilities.

At an election by the Stockholders of the Authracite Insurance Company, held January 4th, 1863, to elect ten Directors to verve for the ensuing year, the following gentlemen were elected:
Wm. Esher, D. Luther, Wm. F. Dean, Lewis Audenried-John-R. Blakiston, Febr. 7, John Retcham, J. E. Baum, John B. Heyl, Samuel H. Rothermel.
At a meeting of the Board of Directors held on the same day, the following officers were elected:
WM. F. DEAN, Vice President,
WM. F. DEAN, Vice President,
WM. M. SM.TH, Secondary,
The Board of Directors have this day declared a Dividend of Fifteen (16) Fer Cent, on the capital stock paid in, parable on demand, free of taxes,
Jac 616

LAST MONTH OF THE SALE.

HOMER, COLLADAY & CO.

HAVE THIS DAY MADE

STILL FURTHER REDUCTIONS.

IN ORDER

TO CLOSE BALANCE OF STOCK AS THEIR

LEASE EXPIRES FEBRUARY 1. NOS. 818 AND 820 CHESTNUT STREET.

IT IS IMPOSSIBLE

FOR ANY HOUSE TO GET THE PRICES DOWN AS LOW as we are now selling all our CLOTHING, and the REASON for it can be very easily seen. An appraisement of the stock was made under direction of the EXECUTORS, and then it was determined to sell it at ONCE to make a quick settlement of the accounts of the former Firm.

THE PRICES ARE ALL DOWN, so that we GUARANTEE them fully TEN PER CENT. LOWER THAN THE LOWEST ELSEWHERE, OR GOODS TAKEN BACK AND CASH PAID OVER AGAIN WHEN SHOWN TO BE CTHERWISE.

It will be remembered that our Style, Make and Finish is FAR BETTER than ordinary Ready-Made Clothing. Our large facilities always enable us to SELL CHEARER THAN OTHER HOUSES; and now, under these special circumstances, it can be readily seen that this is THE opportunity to lay in a full supply.

WANAMAKER & BROWN,

OAK HALL,

THE LARGEST CLOTHING HOUSE, SIXTH AND MARKET STREETS.

CHURCH'S NEW "NIAGARA,"

THE FIRE ARTS.

His last important Picture, and the best and most comprihensive view of the

GREAT FALL. On Exhibition for a Short Time-Admission 25 Cents.

EARLES' GALLERIES,

LOOKING GLASS WAREBOOMS,

No. 816 Chestnut Street. STATIONERY.

Awarded the Only Medal for Blank Books by

the Paris Exposition, 1867. WM. F. MURPHY'S SONS,

339 CHESTNUT STREET,

55 S. FOURTH STREET, BLANK BOOK MANUFACTURERS,

STEAM POWER PRINTERS.

STATIONERS,

A complete stock of well-seasoned BLANK BOOKS of A full stock of COUNTING-HOUSE STATIONERY of

BOOTS AND SHORS.

NEW STYLE SKATING BOOTS. BARTLETT,

The Boot Maker,

83 SOUTH SIXTH STREET. NEW STYLES FOR THE PROMENADE.

NEW STYLES FOR THE PARLOR. NEW STYLES FOR HEAVY WEATHER. His large stock enables him to furnish a good fit at all

WINES, LIQUORS, &c. JUST RECEIVED AND IN STORE 1.00 CASES OF Champagne, sparkling Catawba and California Wines. Port. Madelra, Sherry, Jamsica and Santa Cruz Rumine old Brandigs and Whiskies, wholesale and retail.

P. J. JORDAN, 220 Pear street.

Below Third and Walnut streets and above Dock street.

Briow Third and walled and the street.

JORDAN'S CELEBRATED PURE TONIC ALE FOR invalide, family use, &c.
The eubscriber is now furnished with his full Winter supply of his highly nutritious and well-known beyerage, its wide spread and increasing use, by order of physicians, for inval ds, use of families, &c. sammend it to the attention of all consumers who want a strictly pure article: prepared from the best materials, and put up in the nicetoarcal manner for home use or transportation. Or ders by mail or otherwise promptly supplied.

200 Pear street,

200 Pear stree Below Third and Walnut stre OHEATHING FEIT FOR BALE.—TEN (10) FRAMES Denglish Sheathing Felt, by PETER WRIGHT & ONS, 115 Walqut suget FIRE-PROOF SAFES.

THE BURNING

RICHMOND PASSENGER DEPOT.

Destructive Conflagration.

PHILADELPHIA, Dec. 20, 1883. Mesers. Farrel, Herring & Co., 619 Chestnut Street-GENTLEMEN: This morning, about 3 o'clock, our Rich mend Passenger Railway Depot, situate at Lehigh avenue and Edgmont street, was entirely destroyed by fire, together with the contents, consisting of twenty-three passenger cars, one sait car and a Boston plow, office furni-

ture, &c., which made an intense heat. The only things we saved were in one of your Patout Champion Fire Proof Safer, consisting of books, papers, bank notes and car tickets, which came out all right. JACOB BINDER, President

The Public are invited to call at our Store, No. 629 Chestaut Street, Philadelphia, and examine the Herring's Champions that passed through the great Fires in December, 1868.

FARREL, HERRING & CO.

INSURANCE.

The Liverpool & London & Globe Insurance Company.

The Report of this Company for 1868 shows: Premiums - \$5,479,278 Losses - - - 3,344,728

and after paying a dividend of 30 per cent., the Total Assets are, in Gold,

\$17,005,026. ATWOOD SMITH,

General Agent,

No. 6 MERCHANTS' EXCHANGE, Philadelphia.

SEWING MACHINES.

**Addlers, Harness-Makers, Manufacturers of Clothing, Boots, Shoes, &c.,
Will find it to their interest to use our UNRIVALLED
MACHINE TWIST and the "Milford Linen Tarond"
Manufactured expressly for us from the best material,
and warranted a superior article.

THE SINGER MANUFACTURING COMPANY
Manufacturers and Proprietors of the SINGER SEWING
MACHINE.

No. 1106 Chestnut Street.
my2lyrp WM. E. COOPER, Agent

HOOP SKIRTS.

HOUP SKIRT AND CORSET MANUFACTORY, NO. E. BAYLEY.